

**Staff
Summary
Report**



To: Mayor & City Council
Through: City Manager

Agenda Item Number //
Meeting Date 6/7/01

SUBJECT: Greater Phoenix Economic Council (GPEC) Contract

PREPARED BY: Jan Schaefer, Economic Development Director (350-8036)

REVIEWED BY: Patrick Flynn, Assistant City Manager (350-8399)

BRIEF: Request approval of the 2001-2002 Greater Phoenix Economic Council contract for economic development regional marketing services in the amount of \$75,079.

COMMENTS: **ECONOMIC DEV PROGRAM (0111-03)** Request approval of the 2001-2002 Greater Phoenix Economic Council contract for economic development regional marketing services in the amount of \$75,079.

Document Name: (20010607edevsw01) Supporting Documents: Yes

SUMMARY: The City of Tempe has contracted with the Greater Phoenix Economic Council (GPEC) to provide economic development regional marketing services since 1990. The contract amount is based on a \$.464 per capita contribution, using the 1999 MAG population estimate of 161,975 residents. Staff is recommending approval of the contract for the following reasons:

1. Our continued efforts to "brand" Tempe as a Tech Oasis have received significant assistance/attention from GPEC's broad contacts with national and international journalists.
2. Economic development professionals believe that the most efficient way to allocate resources in order to attract more business to an individual community is through regional cooperation. In the initial stages of the site selection process, large, out-of-state projects will want to look at the "Phoenix" area. Typically, they are unfamiliar with the individual characteristics of all 14 communities in the region and thus prefer to go to one centralized organization. In addition, there is a national trend towards large projects hiring site selection consultants. These consultants tend to build relationships with the large regional organizations and GPEC has done an excellent job of working with them and introducing Tempe.

3. GPEC subscribes to a real estate service, Co-Star, for all its member communities. This service allows staff to do a computer search of available buildings and land for lease or sale at any given time in Tempe. The service allows quick response time to potential businesses interested in Tempe.
4. Tempe continues to compete successfully for the companies expressing interest in the Phoenix metropolitan area as a result of GPEC's marketing efforts. Of the 23 companies GPEC has located for the fiscal year 2000-2001, three companies located in Tempe, creating more than 280 jobs and \$4 million in capital investment.

FISCAL NOTE: \$75,079 has been budgeted in the Economic Development budget for fiscal year 2001-2002.

RECOMMENDATION: Staff recommends approval of the contract.

**AGREEMENT BETWEEN
THE GREATER PHOENIX ECONOMIC COUNCIL
AND THE CITY OF TEMPE**

City Contract No. _____

The City Council of the CITY OF TEMPE, a municipal corporation (the "City"), has approved participation in and support of the regional economic development program of the GREATER PHOENIX ECONOMIC COUNCIL ("GPEC"), an Arizona non-profit corporation. The purpose of this agreement ("Agreement") is to set forth the regional economic development program that GPEC agrees to undertake, the support that the City agrees to provide, the respective roles of GPEC and the City and the payments of the City to GPEC for the fiscal year July 1, 2001 - June 30, 2002.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the CITY and GPEC agree as follows:

I. RESPONSIBILITIES OF GPEC

A. MISSION: GPEC's mission is to leverage region-wide public-private resources to:

1. Build support for a sustainable high-performance economy as part of the consensus regional vision.
2. Generate high-quality investments and jobs by attracting and growing globally competitive high value-added firms.
3. Establish benchmarks, monitor progress, measure performance, and evaluate impacts.

B. GOALS:

1. Engage public and private leaders in:
 - a) Defining the regional vision and its corresponding metrics.
 - b) Clarifying the collaborative roles and relationships needed to assure success.
2. Market the region to generate targeted opportunities.
3. Leverage public and private resources to capture those opportunities.
4. Benchmark the region's competitive position and monitor and report progress.

C. RETENTION AND EXPANSION POLICY:

1. GPEC's primary role is image building, marketing and new business attraction for the Greater Phoenix region.
2. Retention and expansion of existing businesses is primarily a local issue.
3. GPEC can add value to retention and expansion of existing businesses through regional support and research on key retention and expansion projects.
4. GPEC has a responsibility to advise the City when an existing company contacts GPEC regarding a retention or expansion issue.

D. ACTION PLAN AND BUDGET:

In accordance with the Mission, Goals and Retention Policy set forth above and subject to the availability of adequate funding, GPEC shall implement the Action Plan and Budget adopted by GPEC's Board of Directors, a copy of which has been delivered to the City, receipt of which is hereby acknowledged. A copy of the Action Plan is attached hereto as **Exhibit A** (GPEC Action Plan). The City shall be informed of any changes in the adopted Action Plan which will materially affect or alter the priorities established therein. Such notification will be in writing and will be made prior to implementation of such changes. Notwithstanding the foregoing, the City acknowledges and agrees that GPEC may, in its reasonable judgment in accordance with its own practices and procedures, substitute, change, reschedule, cancel or defer certain events or activities described in the Action Plan as required by a result of changing market conditions, funding availability, unforeseen expenses or other circumstances beyond GPEC's reasonable control. GPEC shall solicit the input of the City on the formulation of future marketing strategies and advertisements. The Action Plan will be revised to reflect any agreed upon changes to the Action Plan.

E. PERFORMANCE TARGETS:

Specific performance targets, established by GPEC's Executive Committee and Board of Directors, are attached hereto as **Exhibit B** and shall be used to evaluate and report progress on GPEC's implementation of the Action Plan. In the event of changing market conditions, funding availability, unforeseen expenses or other circumstances beyond GPEC's reasonable control, these performance targets may be revised with the City's prior written approval, or with the prior written approval of a majority of the designated members of GPEC's Economic Development Directors Team ("EDDT"). GPEC will provide quarterly reports to the City discussing in detail its progress in implementing the Action Plan as well as reporting the numerical results for each

performance measurement set forth in Exhibit B. GPEC shall provide a copy of its annual external audit for the preceding fiscal year to the City no later than with its December invoice.

In the case of any benchmark which is not met, GPEC will meet with the EDDT to provide an explanation of the relevant factors and circumstances and discuss the approach to be taken during the upcoming quarter in order to achieve the target(s). Failure to meet a performance target will not, by itself, constitute an event of default hereunder unless GPEC (i) fails to inform the City of such event or (ii) fails to meet with EDDT to present a plan for improving its performance during the balance of the term of the Agreement will constitute an event of default for which the City may terminate this Agreement pursuant to paragraph IV.J. below.

II. RESPONSIBILITIES OF THE CITY

A. STAFF SUPPORT OF GPEC EFFORTS: The City shall provide staff support to GPEC's economic development efforts as follows:

1. The City shall respond to leads or prospects referred by GPEC in a professional manner within the time frame specified by the lead or prospect if the City desires to compete and if the lead is appropriate for the City. When available, the City agrees to provide its response in the format developed jointly by EDDT and GPEC;
2. The City shall provide appropriate local hospitality, tours and briefings for prospects visiting sites in the City;
3. The City shall provide an official economic development representative to represent the City on the EDDT, which advises GPEC's President and CEO;
4. The City shall cooperate in the implementation of GPEC/EDDT process improvement recommendations including the use of common presentation formats, exchange of information on prospects with GPEC's staff, the use of shared data systems, land and building data bases and private sector real estate industry interfaces;
5. The City shall use its best efforts to respond to special requests by GPEC for particularized information about the City within three business days after the receipt of such request;
6. In order to enable GPEC to be more sensitive to the City's requirements, the City shall, at its sole option, deliver to GPEC copies of any City approved economic development strategies, work plan, programs and evaluation criteria. GPEC shall not disclose the same to the other participants in GPEC or their representatives;

7. The City shall utilize its best good faith efforts to cause an economic development professional representing the City to attend all marketing events and other functions to which the City has committed itself;
8. The City agrees to work with GPEC to improve the City's Competitiveness and market readiness to support the growth and expansion of the targeted economic clusters as identified for the City in **Exhibit C**;

B. RECOGNITION OF GPEC: The City agrees to recognize GPEC as the City's officially designated regional economic development organization for marketing the Greater Phoenix region.

III. ADDITIONAL AGREEMENTS OF THE PARTIES:

A. PARTICIPATION IN MARKETING EVENTS AND PROVISION OF TECHNICAL ASSISTANCE: Representative(s) of the City shall be entitled to participate in GPEC's marketing events provided that such participation shall not be at GPEC's expense. When requested and appropriate, GPEC will use its best efforts to provide technical assistance and support to City economic development staff for business location prospects identified and qualified by the City and assist the City with presentations to the prospect in the City or their corporate location.

B. COMPENSATION:

1. The City agrees to pay **\$75,079** for services to be provided by GPEC pursuant to the Agreement during the fiscal year ending on June 30, 2002, as set forth in this Agreement. This amount is based on \$.464 per capita, based upon the 1999 MAG population estimate, which listed the City as having a population of **161,975**. The payment by the City may, upon the mutual and discretionary approval of the board of directors of GPEC and the City Council, be increased or decreased from time to time during the term hereof in accordance with the increases or decreases of general application in the per capita payments to GPEC by other municipalities which support GPEC.
2. Funding of this Agreement shall be subject to the annual appropriations of funds for this activity by the City Council pursuant to the required budget process of the City;

3. Nothing herein shall preclude the City from contracting separately with GPEC for services to be provided in addition to those to be provided hereunder, upon terms and conditions to be negotiated by the City and GPEC; and
4. GPEC shall submit invoices for payment on a semi-annual basis for services provided. The foregoing notwithstanding, if GPEC has not provided the City with the audit required pursuant to paragraph I.E above no later than with its December invoice, no payments shall be made hereunder until the City receives the audit report. Invoices and monthly activity reports, substantially in the form of **Exhibit D** attached hereto, are to be submitted to the Community and Economic Development Director.

C. COOPERATION:

1. The parties acknowledge that GPEC is a cooperative organization effort between GPEC and the City. Accordingly, the City and GPEC covenant and agree to work together in a productive and harmonious working relationship, to cooperate in furthering GPEC's goals for the 2001-2002 fiscal year.
2. The City agrees to work with GPEC, as necessary or appropriate, to revise the performance measures, and/or benchmarks, and/or goals for the FY 2002-2003 contract.
3. The City agrees to work with GPEC during the FY2001-2002 program year to develop a revised public sector funding plan, including a regional allocation formula for FY2002-2003, if determined to be necessary or appropriate.

IV. GENERAL PROVISIONS:

- A. COVENANT AGAINST CONTINGENT FEES:** GPEC warrants that no person or selling agent has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee. For a breach or violation of this warranty, the City shall have the right to terminate this Agreement without liability or, in its discretion, to deduct the commission, brokerage or contingent fee from its payment to GPEC.
- B. PAYMENT DEDUCTION OFFSET PROVISION:** GPEC recognizes the provisions of the City Code of the City of Tempe which require and demand that no payment be made to any contractor as long as there is any

outstanding obligation due to the City, and directs that any such obligation be offset against payment due to GPEC.

- C. **ASSIGNMENT PROHIBITED:** No party to this agreement may assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and no effect.
- D. **INDEPENDENT CONTRACTOR; NO AGENCY:** Nothing contained in this Agreement creates any partnership, joint venture or agency relationship between the City and GPEC. At all times during the term of this Agreement, GPEC shall be an independent contractor and shall not be an employee of City. City shall have the right to control GPEC only insofar as to the results of GPEC's services rendered pursuant to this Agreement. GPEC shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. GPEC shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.
- E. **INDEMNIFICATION AND HOLD HARMLESS:** During the term of this Contract, GPEC shall indemnify, defend, hold, protect and save harmless the City and any and all of its Councilmembers, officers and employees from and against any and all actions, suits, proceedings, claims and demands, loss, liens, costs, expense and liability of any kind and nature whatsoever, for injury to or death of persons, or damage to property, including property owned by City, brought, made, filed against, imposed upon or sustained by the City, its officers, or employees in and arising from or attributable to or caused directly or indirectly by the negligence, wrongful acts, omissions or from operations conducted by GPEC, its directors, officers, agents or employees acting on behalf of GPEC and with GPEC's knowledge and consent.

Any party entitled to indemnity shall notify GPEC in writing of the existence of any claim, demand or other matter to which GPEC's indemnification obligations would apply, and shall give to GPEC a reasonable opportunity to defend the same at its own expense and with counsel reasonably satisfactory to the indemnified party.

Nothing in this Subsection E shall be deemed to provide indemnification to any indemnified party with respect to any liabilities arising from the fraud, negligence, omissions or willful misconduct of such indemnified party.

- F. **INSURANCE:** GPEC shall procure and maintain for the duration of this Agreement, at GPEC's own cost and expense, insurance against claims for injuries to persons or damages to property which may arise from or in connection with this Agreement by GPEC, its agents, representatives,

employees or contractors, in accordance with the Insurance Requirements set forth in **Exhibit E**, attached hereto. The City acknowledges that it has received and reviewed evidence of GPEC's insurance coverage in effect as of the execution of this Agreement.

G. GRATUITIES. The City may, by written notice to GPEC, terminate the right of GPEC to proceed under this Agreement upon one (1) calendar day notice, if it is found that gratuities in the form of entertainment, gifts, or otherwise were offered or given by GPEC, or any agent or representative of GPEC, to any officer or employee of the City with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performance of such contract; provided that the existence of the facts upon which the City makes such findings shall be an issue and may be reviewed in any competent court. In the event of such termination, the City shall be entitled to pursue all legal and equitable remedies against GPEC available to the City.

H. EQUAL EMPLOYMENT OPPORTUNITY. During the performance of this Agreement, GPEC agrees as follows:

- a. GPEC will not discriminate against any employee or applicant for employment because of race, color, religion, gender, sexual orientation, national origin, age or disability. GPEC shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, gender, sexual orientation, national origin, age or disability. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. GPEC agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- b. GPEC will, in all solicitations or advertisements for employees place by or on behalf of GPEC, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, gender, sexual orientation, national origin, age or disability.
- c. GPEC will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement, provided that the foregoing provisions shall not apply to Agreements or subcontracts for standard commercial supplies or new materials.
- d. Upon request by the City, GPEC shall provide City with information and data concerning action taken and results obtained in regard to

GPEC's Equal Employment Opportunity efforts performed during the term of this Agreement. Such reports shall be accomplished upon forms furnished by the City or in such other format as the City shall prescribe.

- I. COMPLIANCE WITH FEDERAL LAWS REQUIRED.** GPEC understands and acknowledges the applicability of the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989 and agrees to comply therewith in performing under any resultant agreement and to permit City inspection of its records to verify such compliance.
- J. TERMINATION.** City shall have the right to terminate this Agreement if GPEC shall fail to duly perform, observe or comply with any covenant, condition or agreement on its part under this Agreement and such failure continues for a period of 30 days (or such shorter period as may be expressly provided herein) after the date on which written notice requiring the failure to be remedied shall have been given to GPEC by the City; provided, however, that if such performance, observation or compliance requires work to be done, action to be taken or conditions to be remedied which, by their nature, cannot reasonably be accomplished within 30 days, no event of default shall be deemed to have occurred or to exist if, and so long as, GPEC shall commence such action within that period and diligently and continuously prosecute the same to completion within 90 days or such longer period as the City may approve in writing. The foregoing notwithstanding, in the event of circumstances which render GPEC incapable of providing the services required to be performed hereunder, including, but not limited to, insolvency or an award of monetary damages against GPEC in excess of its available insurance coverage and assets, the City may immediately and without further notice terminate this Agreement.
- K. RESPONSIBILITY FOR COMPLIANCE WITH LEGAL REQUIREMENTS.** GPEC's performance hereunder shall be in material compliance with all applicable federal, state and local health, environmental, and safety laws, regulations, standards, and ordinances in effect during the performance of this Agreement.
- L. INSTITUTION OF LEGAL ACTIONS.** Any legal actions instituted pursuant to this Agreement must be filed in the county of Maricopa, State of Arizona, or in the Federal District Court in the District of Arizona. In any legal action, the prevailing party in such action will be entitled to reimbursement by the other party for all costs and expenses of such action, including reasonable attorneys' fees as may be fixed by the Court.
- M. APPLICABLE LAW.** Any and all disputes arising under any Agreement to be awarded hereunder or out of the proposals herein called for, which cannot be administratively resolved, shall be tried according to the laws of

the State of Arizona, and GPEC shall agree that the venue for any such action shall be in the State of Arizona.

- N. **CONTINUATION DURING DISPUTES.** GPEC agrees that, notwithstanding the existence of any dispute between the parties, each party shall continue to perform the obligations required of it during the continuation of any such dispute, unless enjoined or prohibited by an Arizona court of competent jurisdiction.
- O. **CITY REVIEW OF GPEC RECORDS.** GPEC must keep all Agreement records separate and make them available for audit by City personnel upon request.
- P. **NOTICES.** Any notice, consent or other communication required or permitted under this Agreement shall be in writing and shall be deemed received at the time it is personally delivered, on the day it is sent by facsimile transmission, on the second day after its deposit with any commercial air courier or express service or, if mailed, three (3) days after the notice is deposited in the United States mail addressed as follows:

If to City: Ms. Janice Schaefer
 Economic Development Director
 City of Tempe
 P.O. Box 5002
 Tempe, Arizona 85281
 (480) 350-8036
 FAX: (480) 350-2951

If to GPEC: Rick L. Weddle
 President and Chief Executive Officer
 Greater Phoenix Economic Council
 Two North Central Avenue, Suite 2500
 Phoenix, Arizona 85004-4469
 (602) 256-7700
 FAX: (602) 256-7744

Any time period stated in a notice shall be computed from the time the notice is deemed received. Either party may change its mailing address or the person to receive notice by notifying the other party as provided in this paragraph.

- Q. **TRANSACTIONAL CONFLICT OF INTEREST.** All parties hereto acknowledge that this Agreement is subject to cancellation by the City pursuant to the provisions of Section 38-511, Arizona Revised Statutes.
- R. **NONLIABILITY OF OFFICIALS AND EMPLOYEES.** No member, official or employee of the City will be personally liable to GPEC, or any successor in

interest, in the event of any default or breach by the City or for any amount which may become due to GPEC or successor, or on any obligation under the terms of this Agreement. No member, official or employee of GPEC will be personally liable to the City, or any successor in interest, in the event of any default or breach by the GPEC or for any amount which may become due to the City or successor, or on any obligation under the terms of this Agreement.

- S. NO WAIVER.** Except as otherwise expressly provided in this Agreement, any failure or delay by any party in asserting any of its rights or remedies as to any default, will not operate as a waiver of any default, or of any such rights or remedies, or deprive any such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.
- T. SEVERABILITY.** If any provision of this Agreement shall be found invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement will not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law, provided that the fundamental purposes of this Agreement are not defeated by such severability.
- U. CAPTIONS.** The captions contained in this Agreement are merely a reference and are not to be used to construe or limit the text.
- V. NO THIRD PARTY BENEFICIARIES.** No creditor of either party or other individual or entity shall have any rights, whether as a third-party beneficiary or otherwise, by reason of any provision of this Agreement.
- W. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS.** This Agreement may be executed in up to three (3) duplicate originals, each of which is deemed to be an original. This Agreement, including ten (10) pages of text and the below-listed exhibits which are incorporated herein by this reference, constitutes the entire understanding and agreement of the parties.

Exhibit A - Action Plan

Exhibit B - GPEC Performance Measures

Exhibit C - Target Industry Clusters

Exhibit D - Reporting Mechanism for Contract Fulfillment

Exhibit E - Insurance Requirements

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the City or GPEC, and all amendments hereto must be in writing and signed by the appropriate authorities of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed the Agreement this _____ day of _____, 2001.

CITY OF TEMPE, a municipal corporation
Mr. Will Manley, City Manager

By: _____
Its: _____

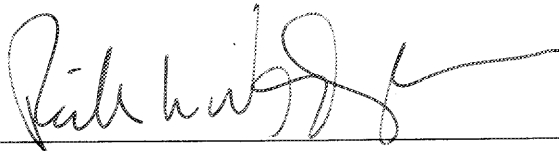
ATTEST:

By: _____
Its: City Clerk

APPROVED AS TO FORM:

By: _____
Its: City Attorney

GREATER PHOENIX ECONOMIC COUNCIL,
an Arizona nonprofit corporation

By:  _____

Rick L. Weddle, President &
Chief Executive Officer

**GPEC Action Plan
Fiscal Year 2001-02**

Framework for the Future

Greater Opportunities • Greater Rewards • Greater Phoenix

Two North Central Avenue, Suite 2500

Phoenix, Arizona 85004

(602) 256-7700 - www.gpec.org



May 2001

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*Success comes
from clear
strategy and
effective
execution.*

Action Plan – Fiscal Year 2001-02



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The Challenge

▲ Greater Phoenix: Two decades of economic development achievement

- Nearly 1 million new jobs have been created as the population has doubled
- Total Personal Income has risen by 370%
- Arizona's Gross State Product has grown by 345% (driven by Greater Phoenix)
- Over 110 miles of new urban freeways have been constructed
- New international air connections to London and Frankfurt have been established
- The region's voters have supported major infrastructure and quality of life investments, including: education, desert preservation, and public transit funding

▲ Sustainable Prosperity: Challenges remain . . .

- **Today:** The current uncertain economic environment requires GPEC to:
 - Continue to focus on proven economic development strategies that drive sustainable results in deal-flow and job creation
 - Develop a new multi-year funding plan for public & private sector support
- **Tomorrow:** The region's population will double by 2040, placing huge new demands on employment, public infrastructure, and lifestyle
 - Regional economic development must help the metro economy create 1.5 million new jobs, strengthen our economic base, and meet the income and economic diversity needs of our changing workforce
 - Regional planning and development coordination must be improved to sustain our business climate, competitive advantage, and quality of life
 - Tax and Fiscal policies must maintain a competitive business environment, support the region's economic development strategies, and provide the funding mechanisms needed to meet regional infrastructure needs

*A consensus
view of the
future is
needed...
...now more
than ever
before.*

Action Plan – Fiscal Year 2001-02



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The Opportunity

▲ Achieving Success in Uncertain Times—Doing the Right Things Now

- GPEC and its partners must continue to bring needed high-quality jobs and economic opportunities to the region
- GPEC staff is organized around four purposes:
 - Opportunity Generation: Plan and implement marketing and communications activities to generate targeted opportunities
 - Business Development: Strengthen and fully utilize the GPEC public/private sector network to capture quality economic opportunities
 - Competitive Position: Benchmark the region's competitive position and establish the framework and action steps needed for improvement
 - Resource Management: Maximize the value (ROI) added/delivered to the stakeholder network

▲ The Long-Term Regional Vision—Knowing Where We Are Headed

Greater Phoenix becomes a high quality, 1st tier global marketplace within 20 years

- Specific success measures must be determined, but may include the following:
 - A Top 25 research university
 - 24/7 downtown urban cores
 - Effective regional transportation systems along with global air linkages
 - Enhanced standard of living at all levels
 - An education system that meets the region's dynamic workforce needs
 - A tax and regulatory environment conducive to economic growth and vitality
 - A diverse, resilient, and recession-resistant economic base

Both action plan performance and regional progress toward the long-term vision will be measured against specific targets and metrics.

Action Plan – Fiscal Year 2001-02



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Framework & Operating Structure

▲ A Framework for the Future—Working Together to Get There

- As the lead public/private regional economic development organization, GPEC:
 - Must continue to plan and execute effective business development programs
 - And is ideally poised to begin the discussion about the region's future
- As others join the dialogue, a new consensus can be forged in support of a Framework for the Future

▲ Regional Councils

- Newly created, these councils will provide strategic input in three areas:
 - Economic Strategy
 - Regional Identity
 - Competitiveness

▲ President's Advisory Teams

- Provide technical and operating input and expertise through:
 - Economic Development Directors Team (EDDT)
 - Policy Development Team (PDT)
 - President's Level Investors

▲ Executive Committee and Board of Directors

- Set policies, provide oversight and direction:
 - Approve annual action plan and budget
 - Set operating policies and procedures
 - Provide policy oversight and proper direction

Professional Staff

Executes strategy and implements action plans in four areas:

- ▲ Opportunity Generation
- ▲ Business Development
- ▲ Competitive Position
- ▲ Resource Management

Action Plan – Fiscal Year 2001-02



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Mission, Goals & Approach

▲ Mission

- GPEC's mission is to leverage region-wide public-private resources to:
 - Build support for a sustainable high-performance economy as part of the consensus regional vision
 - Generate high-quality investments and jobs by attracting and growing globally competitive high value-added firms
 - Establish benchmarks, monitor progress, measure performance, and evaluate impacts

▲ Goals

- Engage public and private leaders in:
 - Defining the regional vision and its corresponding metrics
 - Clarifying the collaborative roles and relationships needed to assure success
- Market the region to generate targeted opportunities
- Leverage public and private resources to capture those opportunities
- Benchmark the region's competitive position and monitor and report progress

▲ Operating Approach

- Continually educate stakeholders on key issues
- Engage stakeholders to set agenda
- Focus on mission critical issues and signature/key projects
- Integrate a global approach into strategies
- Concentrate on high-impact, cost-effective tactics
- Target resources toward quality opportunities
- Utilize productivity enhancing technologies
- Collaborate effectively and strengthen relationships region-wide
- Effectively measure & evaluate performance

*Clear goals
focus efforts
and drive action.*

Action Plan - Fiscal Year 2001-02

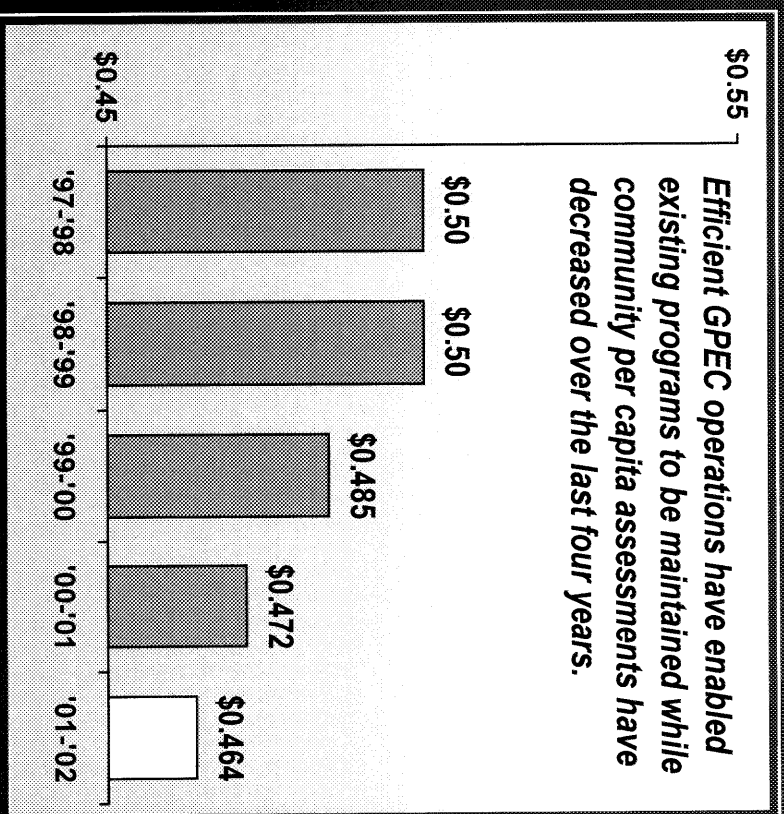


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Budget Summary

Funding Plan

- Year 3 of the 4-year funding plan approved by GPEC's Executive Committee, Board of Directors and Finance Committee in FY2000:
- Efficient management over the past 4 years has enabled GPEC to build cash reserves, thereby ensuring financial stability
 - Expense budget: 4% growth in base program
 - Revenue budget: 4% increase in revenue, targeting a 50:50 public/private balance
 - City funding allocation moves to 1999 MAG estimates at 46.4 cents per capita (FY2000 was at 47.2 cents per capita)
 - County funding maintains at proportionate share of overall public revenue
 - Private Sector fundraising targets a 50:50 public/private match, supports ongoing operations, and maintains adequate reserves



Action Plan - Fiscal Year 2001-02



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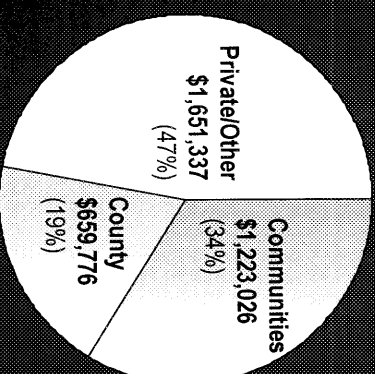
Budget Summary *(continued)*

	FY2001 Revised *	FY2002	Variance	% Variance
Revenues				
City/County	\$ 1,800,454	\$ 1,882,802	\$ 82,348	5%
Private Sector	\$ 1,566,837	\$ 1,611,337	\$ 44,500	3%
Other	\$ 30,375	\$ 40,000	\$ 9,625	32%
FY2001 Carry Forward **	N/A	\$ 125,000	N/A	N/A
Total Revenues & Funding	\$ 3,397,666	\$ 3,659,139	\$ 261,473	8 %
Expenditures				
Opportunity Generation	(\$ 1,276,919)	(\$ 1,472,651)	\$ 195,732	15%
Business Development	(\$ 1,229,764)	(\$ 1,277,715)	\$ 47,951	4%
Competitiveness	(\$ 256,691)	(\$ 193,060)	(\$ 63,631)	(25%)
Resource Management	(\$ 619,921)	(\$ 748,944)	\$ 129,023	21%
Total Expenditures	(\$ 3,383,295)	(\$ 3,692,370)	\$ 309,075	9.1%
Less Fixed Assets	(\$ 70,200)	(\$ 76,200)	(\$ 6,000)	(9%)
Add Depreciation	\$ 110,000	\$ 110,000	\$ 0	0%
Net Cash Movement	\$ 54,171	\$ 569	(\$ 53,602)	(99%)

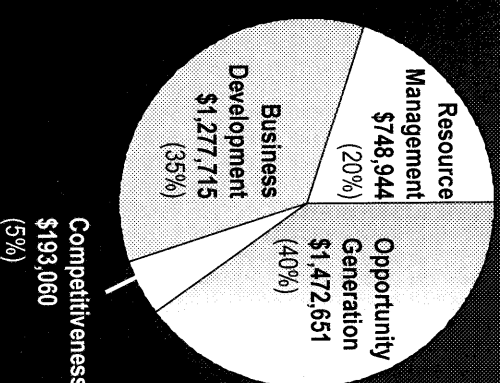
* FY2001 budget revisions involved expenditure reductions and program adjustments necessitated by the shift of "Leadership Fundraising" campaign to future years.

** Savings associated with FY2001 budget revisions enabled cash reserve targets to be met and provided resources to be allocated toward FY2002 programs, shown here as "FY2001 Carry Forward."

FY2002 Projected Revenues



FY2002 Program Expenditures



Structural Overview

Organizational Matrix	Performance Teams <i>Work organized around goals</i>			
	Development Units <i>Staff organized around core capabilities</i>	Opportunity Generation	Business Development	Competitive Position
Marketing & Communications Paul Ringer*, Naaman Nickell, Krissy Miskovsky				
Sales & Development Steve Vierck*, Garrett Newland, Bonnie Deweller, Stacy Gibson, Brad Smidt				
Research & Information Systems Paul Ringer*, Maury Rice				
Project Services Ken Burns*, Carla Butler, Jenni Monteath, Julie Keller, Kay Nowatzki, Richard Stern				
Management/Finance/ Administration Rick Weddle*, Ken Burns, Ben Cooper, Mary Shedd, Tracy McCaleb				

PROJECTS

Action plans and specific projects are organized around goals and implemented by high performance teams

*GPEC is flexibly
organized to
respond to new
opportunities.*

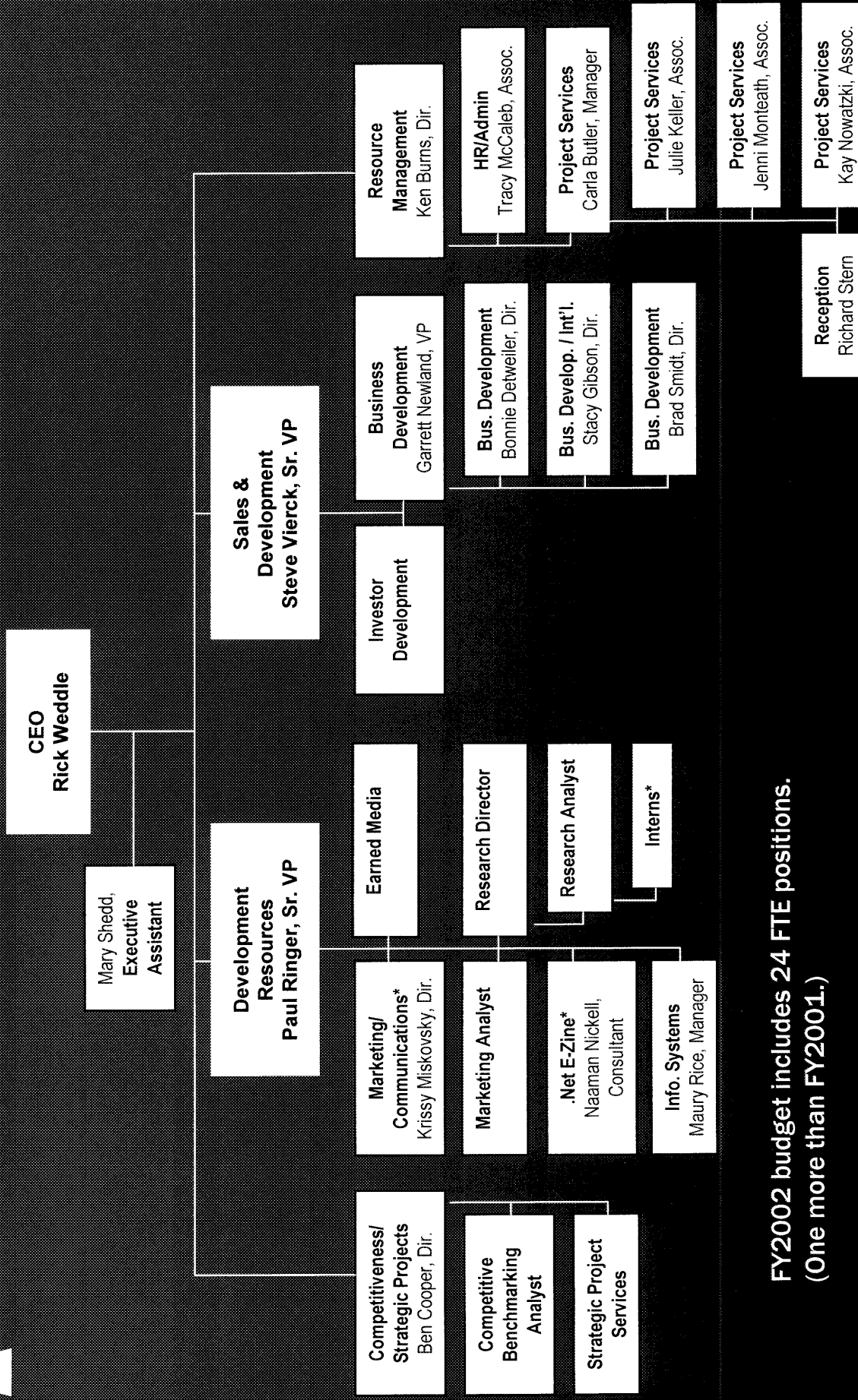
Action Plan – Fiscal Year 2001-02



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* Development Unit Leaders

Staff Operating Structure



FY2002 budget includes 24 FTE positions.
(One more than FY2001.)

Senior Management

*Naaman Nickell is a consultant to GPEC. Krissy Miskovsky and the student interns are part-time employees and are not included in the FTE headcount.

▲ Opportunity Generation

▲ Purpose Statement

- Plan and implement marketing and communications activities that will generate targeted opportunities

▲ Goals

- Generate quality opportunities – prospective locates and economic opportunities for GPEC stakeholders
- Brand the Greater Phoenix Region and Greater Phoenix Economic Council

▲ Strategies

- Integrate relationship marketing platforms to be cohesive/seamless in:
 - Internal and external regional branding strategies
 - Integrated message delivery to key local, national & international audiences
- Research/Identify recruitment opportunities and stakeholder needs/preferences, including key clusters and potential headquarters opportunities
- Effectively engage public sector stakeholders, private sector investors, and other partners in key projects

▲ Performance Measures

- Quality prospects generated
 - Prospects generated within targeted clusters
- Earned Media – Total reach of editorial placements
 - Balanced reach within targeted clusters
 - Return on investment (ROI)
- Cluster marketing network – Capture rate
- GPEC 100 satisfaction
- Stakeholder satisfaction survey

Signature & Key Projects

- ▲ Identity/Image Regional Council
- ▲ Earned Media
- ▲ GPEC 100
- ▲ Cluster Relationship Marketing
- ▲ Sales Missions/Trips
- ▲ Regional Communications
- ▲ Local and National Industry Research
- ▲ GPEC.org website
- ▲ Coordinated Advertising
- ▲ EDDT process to adjust strategies to match economic conditions
- ▲ Best Practices Visits

Action Plan – Fiscal Year 2001-02



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Business Development

▲ Purpose Statement

- Strengthen and fully utilize the GPEC public/private sector network to capture quality economic opportunities

▲ Goals

- Build target clusters and foundations by capturing quality global economic opportunities
- Strengthen the relationship network of public and private sector resources and provide equal access to opportunities to member communities and investors

▲ Strategies

- Deliver high value and excellent service in a timely manner
- Identify/deliver the information that clients need, using the latest technologies
- Convert high quality prospects
- Leverage network resources to effectively meet client needs
- Effectively engage public sector stakeholders, private sector investors, and other partners in key projects

▲ Performance Measures

- Capital investment, number of jobs, payroll and average salary
- Prospect visits to communities
- Prospect to Locate conversion rate
- Locate and non-locate satisfaction surveys
- Investor utilization
- Stakeholder satisfaction surveys
- New pledges developed by Staff and Leadership

Signature & Key Projects

- ▲ Economic Strategies Regional Council
- ▲ Economic Development Directors Team
- ▲ Executours
- ▲ Int'l Consultant Network
- ▲ E-Response System
- ▲ Prospect Hosting
- ▲ Industry Conferences
- ▲ Best Practices Visits
- ▲ Expansion of GPEC Investor Base
- ▲ GreaterPhoenix.net
- ▲ Professional Development Sessions
- ▲ Effective transition of Locates into GPEC Investor Network
- ▲ Power Breakfasts

Action Plan – Fiscal Year 2001-02



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Competitive Position

▲ Purpose Statement

- Benchmark the region's competitive position and establish the framework and action steps needed for improvement

▲ Goals

- Work collaboratively with partners to map and track progress, focused on improving the region's competitive position
- Develop a regional consensus around priority issues for action

▲ Strategies

- Develop an annual benchmarking assessment tool and updating approach.
- Utilize the new tool to report on the region's competitive position
- Identify current regional competitive position initiatives & encourage coordination
- Effectively engage public sector stakeholders, private sector investors, and other partners (EDDT, ASU, MAG, etc.) in key projects

▲ Performance Measures

- Successful development and implementation of the annual benchmarking assessment tool
- Success in achieving consensus around regional competitiveness priorities

Signature & Key Projects

- ▲ Competitiveness Regional Council
- ▲ Annual Benchmarking and Reporting
- ▲ Economic Summit
- ▲ Best Practices Visits
- ▲ Growth Management: Smart Growth Policies
- ▲ MAG – GPEC – EDDT Growing Smarter Team
- ▲ Policy Development Team
- ▲ Regional Federal Agenda
- ▲ DC Mission

Action Plan – Fiscal Year 2001-02



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Resource Management

▲ Purpose Statement

- Maximize the value (ROI) added/delivered to the stakeholder network

▲ Goals

- Develop a new multi-year funding plan for public sector financial support
- Effectively manage and enhance human, fiscal, organizational, and leadership resources
- Strengthen network of public and private sector stakeholders and leadership
- Improve the quality of stakeholder engagement in the GPEC program

▲ Strategies

- Maintain fiscal integrity of organization
- Continue to develop an effective human resources and compensation system to match the organization's project-based orientation
- Effectively engage public sector stakeholders, private sector investors, and GPEC leadership in key projects

▲ Performance Measures

- Cash Reserve/Cash Revenue Target
- Fund Balance/Net Assets
- Audit Report
- Stakeholder network satisfaction measure
- Executive Committee satisfaction with budget management
- Employee satisfaction

Signature & Key Projects

- ▲ Coordination & Support for Regional Councils
- ▲ Annual Dinner
- ▲ Leadership Retreat
- ▲ Board and Executive Committee Engagement
- ▲ Stakeholder Satisfaction Surveys
- ▲ Bylaw Implementation
- ▲ Accounting/Controlling
- ▲ Internal HR Processes
- ▲ Best Practices Visits: Coordination/Support

Action Plan – Fiscal Year 2001-02



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Performance Measures: Scorecard

Goals—Fiscal Year 2001-02	Contract	Target	Stretch
Opportunity Generation			
Earned Media – Total Reach	7.0M	8.5M	12.0M
Balanced Reach in Clusters (75%)*	5.2M	6.4M	9.0M
Return on Investment (ROI)	7.5:1	9:1	12:1
Integrated Relationship Marketing			
GPEC 100 Consultants – Satisfaction	70%	80%	90%
Cluster Marketing – Capture Rate**	10%	15%	20%
Prospects	135	150	170
Prospects within Clusters	100	113	128
Business Development			
Capital Investment	\$180M	\$225M	\$255M
Payroll Generated	\$112M	\$145M	\$170M
New Job Creation	3,400	4,000	4,600
Average Salary	\$33,000	\$36,000	\$37,000
Conversion Rate	14%	15%	16%
Resource Management			
Private Sector Financial Support			
Retention of Existing Pledges	7.2%	5.75%	4.6%
New Pledges	\$175,000	\$200,000	\$225,000
Cash Reserve/Cash Revenue	13%	14%	15%

Contract, target and stretch goals will be revised and approved by the GPEC Executive Committee as FY2001 yearend results become available.

Action Plan – Fiscal Year 2001-02



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* Goal: 75% of Total Reach within targeted clusters. 25% within general publications.

**Percentage of overall contacts who join our Gold List Network.

Planned Signature & Key Projects—Quarterly Activity Calendar

1 of 3

Opportunity Generation	FY2002				FY2003			
	July-Sept '01	Oct-Dec '01	Jan-March '02	April-June '02	July-Sept '02	Meet Quarterly	Inbound Media Mission	
Identity/Image Regional Council				Convene				
Media Programs/Projects								
Earned Media								
Nat'l Business Media Survey								
Local Media Relations								
Media Story Research								
GPEC 100 Relationship Mailings								
Cluster Relationship Marketing								
Local/Nat'l Industry Research								
Relationship Contacting								
Regional Communications								
GreaterPhoenix.net								
GPEC.org Website								
Performance Scorecard								
Annual Report								
Coordinated Targeted Advertising								
Other Research/Info Center								
Info Center Website								
Info Materials Updates								
New Info Development								
Blue Chip Report								
Other Special Research Projects								
Best Practices Visit (TBD)								
Information Systems Development								

Planned Signature & Key Projects—Quarterly Activity Calendar

2 of 3

<i>Business Development</i>	FY2002				FY2003			
	July-Sept '01	Oct-Dec '01	Jan-March '02	April-June '02	July-Sept '02			
Economic Strategies Regional Council			Convene	Meet Quarterly	Meet Quarterly			
EDDT	Monthly	Monthly	Monthly	Monthly	Monthly			
Prospect Hosting	As Needed	As Needed	As Needed	As Needed	As Needed			
Prospect Sales Trips	Boston, NY, Chicago	SF, LA, Atlanta	Dallas, Denver, Chicago	SF, LA, Minneapolis	Boston, NY, Chicago			
Trade Shows/Conferences	SEMICON, NACORE	IDRC, COMDEX	Medical Design & Mfg.	IDRC	SEMICON			
GPEC 100 - Executives			Phx Open, Cactus Leag.	Culinary Festival				
GPEC 100 - Survey	GPEC 100 Survey				GPEC 100 Survey			
International Consultant Network	Mailing		Mailing					
International-Related Sales Trips		Japan; NY - Foreign HQs	LA Consulates	UK/Germany				
Client Handling	Monthly	Monthly	Monthly	Monthly	Monthly			
E-Response System	Community Profiles	Private Sector Engaged						
Expansion of GPEC Investor Base	On-Going	On-Going	On-Going	On-Going	On-Going			
Investor Utilization Program	Monthly	Monthly	Monthly	Monthly	Monthly			
Regional Project Generation Network	Monthly	Monthly	Monthly	Monthly	Monthly			
Professional Development Sessions	Monthly	Monthly	Monthly	Monthly	Monthly			
Power Breakfasts		Power Breakfast		Power Breakfast				
Community Market Updates	Monthly	Monthly	Monthly	Monthly	Monthly			
Site Selection/Client Research	As Needed	As Needed	As Needed	As Needed	As Needed			
Metro Comparison Database Update			Start/Complete					
Best Practices Visit (TBD)								
Locate/Non-Locate Survey	Monthly	Monthly	Monthly	Monthly	Monthly			

3 of 3

17

Planned Signature & Key Projects

Opportunity Generation

Descriptions

▲ Annual Report

- Purpose: Generate an annual report detailing GPEC's progress and accomplishments.

▲ Best Practices Visit

- Purpose: As an output of the Leadership Retreat, visit a leading region to learn best-of-class strategies in regional marketing coordination.

▲ Blue Chip Report—Local Industry Research

- Purpose: Partner with ASU to develop a current local industry report to be included in relationship marketing efforts and to be provided to clients and stakeholders.

▲ Cluster Relationship Marketing

- Purpose: Generate relationships with key decision-makers at targeted companies within targeted clusters.

▲ Coordinated Advertising

- Purpose: Use selected advertising in key economic development trade publications to raise awareness of Greater Phoenix's business advantages. A limited number of special advertorials may also be placed in select publications.

▲ Earned Media

- Purpose: Generate favorable coverage in print and electronic media about Greater Phoenix.

▲ GPEC 100 Relationship Mailings

- Purpose: Strengthen relationships with key site selection consultants while increasing their awareness of positive developments in Greater Phoenix.

▲ GPEC.org

- Purpose: Provide information on GPEC programs, events and results. Includes GPEC Investor Information, an online prospect database for EDDTs, and the Information Center.

▲ GreaterPhoenix.net

- Purpose: A regional communications tool to increase awareness of economic development policy issues. Provides forum for GPEC stakeholders to interact.

▲ Identity/Image—Regional Council

- Purpose: A result of the Leadership Retreat, this council will bring together regional leaders to coordinate regional identity and image marketing programs. Ask GPEC about how to get involved.

▲ Information Center Website

- Purpose: Update, enhance, and expand upon the website's existing content-rich information pieces.

▲ Information Materials—New

- Purpose: Develop new materials for GPEC clients, stakeholders, and the media.

▲ Information Materials—Updates/Enhancements

- Purpose: Ensure that the informational materials developed for GPEC clients, stakeholders and the media are accurate and up-to-date.

▲ Information Systems Development

- Purpose: Develop and enhance the technology used by GPEC to accomplish its mission and goals.

▲ Local Media Relations

- Purpose: Strengthen relationships with local media members and provide support for stories about Greater Phoenix economic development.

▲ Media Story Research

- Purpose: Provide quick, effective research to increase the likelihood that Greater Phoenix and/or GPEC will be included in national and local story coverage.

▲ National Business Media Survey

- Purpose: Gather the opinions and identify the awareness of national business writers regarding Greater Phoenix.

▲ Performance Scorecard

- Purpose: Annually assess stakeholder satisfaction with GPEC's performance.

Planned Signature & Key Projects

Business Development

Descriptions

▲ Best Practices Visit

- Purpose: As an output of the Leadership Retreat, visit a leading region to learn best-of-class strategies in regional economic development.

▲ Client Handling

- Purpose: Deliver high value and excellent service to corporate relocation/expansion prospects in a timely manner, using the latest technology available.

▲ Community Market Updates

- Purpose: Carry out in conjunction with member communities to increase staff understanding of community targets, attributes and investment opportunities.

▲ E-Response System

- Purpose: Implement a fully electronic prospect response system, including regional, community, and site info.

▲ Economic Strategies—Regional Council

- Purpose: A result of the Leadership Retreat, this council will bring together regional leaders to coordinate efforts and ensure that Greater Phoenix pursues the right mix of economic development strategies. Ask GPEC about how to get involved.

▲ Economic Development Directors Team (EDDT)

- Purpose: Provide comprehensive staff support to the Economic Development Directors Team.

▲ Executours (GPEC 100)

- Purpose: Provide site selection consultants with positive exposure to Greater Phoenix opportunities and attributes by hosting them at various special events.

▲ Expansion of GPEC Investor Base

- Purpose: Expand private sector investment in GPEC.

▲ GPEC 100 Survey

- Purpose: Assess the satisfaction of GPEC 100 consultants with GPEC's level of service and capabilities and identify areas where additional value can be added.

▲ International Consultant Network

- Purpose: Raise awareness of Greater Phoenix and create relationships with international site consultants.

▲ International Sales Trip

- Purpose: Generate qualified prospects and develop relationships with international site decision-makers.

▲ Investor Utilization

- Purpose: Involve GPEC investors in new or expanding projects and communicate investor capabilities to clients.

▲ Locate/Non-Locate Survey

- Purpose: Assess the opinions of company decision-makers who considered Greater Phoenix for a site selection project. Gauge satisfaction with GPEC and identify opinions about the region's competitive position.

▲ Metro Comparison Database Update

- Purpose: Enhance current database of operating costs and other market comparisons (50 metro areas).

▲ Power Breakfasts

- Purpose: Educate and broaden investor base through high-quality networking opportunities.

▲ Professional Development Sessions

- Purpose: Elevate the capabilities of community ED staff members, investors, and GPEC staff through periodic programs on Greater Phoenix, industry trends, etc.

▲ Prospect Hosting

- Purpose: Review and enhance all aspects of prospect hosting. Includes a review of prospect proposals, presentations, e-tracs, collateral materials, visits, and site tours.

▲ Prospect Sales Trips

- Purpose: Generate qualified prospects via meetings with target companies and site selection consultants outside of Greater Phoenix.

▲ Regional Project Generation Network

- Purpose: Continue to develop relationships within a network of private sector professionals who are involved in Greater Phoenix corporate expansion projects.

▲ Site Selection/Client Research

- Purpose: Provide customized information to GPEC clients.

▲ Trade Shows/Industry Conferences

- Purpose: Expand the visibility of the region's capabilities and advantages as a business location. Network with prospective decision makers and gain competitive industry and market knowledge.

Planned Signature & Key Projects

Competitive Position & Resource Management

Descriptions

Competitive Position

- ▲ **Annual Benchmarking/Reporting**
 - Purpose: Develop and report on a set of indicators to track the progress of efforts to improve the region's competitive position.
- ▲ **Best Practices Visit**
 - Purpose: As an output of the Leadership Retreat, visit a leading region to learn best-of-class strategies in regional competitiveness.
- ▲ **Competitiveness—Regional Council**
 - Purpose: A result of the Leadership Retreat, this council will bring together regional leaders to coordinate efforts toward improving Greater Phoenix's competitive position. Ask GPEC about how to get involved.
- ▲ **Economic Summit**
 - Purpose: Provide a high-quality networking opportunity to broaden our resource network and educate our constituencies.
- ▲ **MAG-GPEC-EDDT Growing Smarter Team**
 - Purpose: Provide a forum with MAG for community economic development representatives (EDDTs) to coordinate the implementation of Growing Smarter initiatives.
- ▲ **Policy Development Team (PDT)**
 - Purpose: Provide staff support for PDT members and meetings.
- ▲ **Smart Growth Strategy Development**
 - Purpose: Engage regional leadership in discussions about implementing sustainable growth management policies and initiatives.
- ▲ **Regional Federal Agenda Update**
 - Purpose: Coordinate the activities involved in preparing, presenting, and implementing the Regional Federal Agenda.
- ▲ **Strategic Policy Committee**
 - Purpose: Provide staff support for SPC members and meetings.
- ▲ **Washington DC Mission**
 - Purpose: Plan the agenda, issues, and appointments for the Washington DC Executive Mission. The trip may include public policy, media and business development tracks.

Resource Management

- ▲ **Accounting/Controlling**
 - Purpose: Fiscal management of the organization including all financial processes and procedures, preparation of financial statements, budget development and monitoring, cash flow, audit, tax returns, etc.
- ▲ **Action Plan Development**
 - Purpose: Work with GPEC stakeholders to develop the FY2002-03 Action Plan.
- ▲ **Annual Dinner**
 - Purpose: Provide a high-quality networking opportunity to broaden our resource network and educate our constituencies.
- ▲ **Board of Directors and Executive Committee Support**
 - Purpose: Provide staff and meeting support for GPEC Leadership.
- ▲ **Bylaw Implementation**
 - Purpose: Work with GPEC Leadership to implement new Bylaws.
- ▲ **Contact & Relationship Management**
 - Purpose: Develop, manage, and sustain effective strategic relationships.
- ▲ **Coordination/Support for Regional Councils**
 - Purpose: Provide staff and meeting support for Regional Councils.
- ▲ **Human Resources Management & Staff Development**
 - Purpose: Administer human resource benefits and processes and oversee staff training, staff retreat, space utilization, etc..
- ▲ **Impact Model Enhancements**
 - Purpose: Update and enhance the regional consensus impact model to accurately estimate the economic and revenue impacts of the GPEC program. Expand the model to better estimate private sector impacts.
- ▲ **Leadership Retreat**
 - Purpose: Engage stakeholders and other partners in GPEC's planning process.
- ▲ **Performance Scorecard Survey**
 - Purpose: Annually assess stakeholder satisfaction with GPEC program results.

Regional Vision

Become a high-quality
1st tier global marketplace
within 20 years

Three Regional
Councils comprised of
key private and public
leaders will drive the
action to achieve the
regional vision

Economic Strategy

Regional Identity & Image

Competitiveness

President's Advisory
Teams

EDDT Team

Policy Development Team

President's Level
Investors

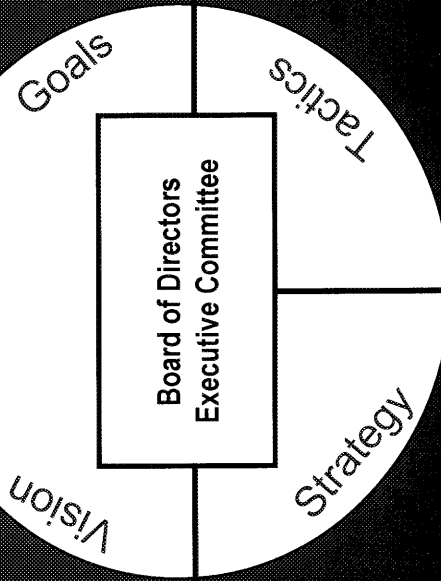
Exhibit A

Framework & Operating Structure

Illustrating Regional Leadership Engagement Linkages

Greater Phoenix Economic Council

Action Plan



Board Governance
Committees

Finance

Audit

Nominating

President & CEO
& Professional Staff

Business Development

Opportunity Generation

Competitive Position

Resource Management

Operating Approach

- ✓ Continually educate stakeholders on key issues
- ✓ Engage stakeholders to set agenda
- ✓ Focus on mission critical issues and signature/key projects
- ✓ Integrate a global approach into strategies
- ✓ Concentrate on high-impact, cost-effective tactics
- ✓ Target resources toward quality opportunities
- ✓ Utilize productivity enhancing technologies
- ✓ Collaborate effectively and strengthen relationships region-wide
- ✓ Effective measure and evaluate performance

EXHIBIT B

Specific performance targets as established by the GPEC Executive Committee and Board of Directors:

1. Number of qualified prospects	135
2. Qualified prospects in target clusters	100
3. Editorial exposure return on investment	7.5:1
4. Total reach of editorial placements/exposures	7.0M
5. Reach of editorial placements/exposures in target clusters	5.2M
6. GPEC conversion rate	14%
7. Income generated	\$112M
8. Total number of jobs created	3,400
9. Average annualized salary	\$33,000
10. Capital investment	\$180M

EXHIBIT C

TARGET INDUSTRY CLUSTERS. GPEC follows the Arizona Strategic Plan for Economic Development Economic clusters. This plan has now been fully incorporated into the Governor's Strategic Partnership for Economic Development (SPED). GPEC has worked with member communities to identify targeted economic clusters on a community and regional level and has incorporated these target clusters into its overall economic development plan. The following table illustrates the targeted economic clusters that member communities have suggested GPEC marketing and business development efforts should target on their behalf.

Business Services & Software	High Technology Electronics	High Technology Aerospace & Advanced Materials	Bio Industry & Senior Industries	Food, Fiber & Natural Products	Transportation/ Distribution Standard Manufacturing Environmental Technology
Avondale	Avondale	Avondale	Avondale	Avondale	Avondale
Chandler	Chandler	Chandler	Buckeye	Buckeye	Buckeye
Gilbert	Gilbert	Gilbert	Chandler	Maricopa County	El Mirage
Glendale	Glendale	Goodyear	Glendale	Tolleson	Gilbert
Goodyear	Goodyear	Mesa	Maricopa County		Glendale
Mesa	Mesa	Phoenix	Mesa		Maricopa County
Peoria	Peoria	Tempe	Peoria		Mesa
Phoenix	Phoenix	Tolleson	Phoenix		Peoria
Scottsdale	Scottsdale		Scottsdale		Surprise
Surprise	Surprise		Surprise		Tolleson
Tempe	Tempe		Tempe		

Within these economic clusters GPEC targets specific operations (manufacturing, research & development, headquarters and regional office operations, and distribution/assembly) in geographic areas that have proven to be historically significant target areas (California, the upper Midwest, New York/New Jersey, the Mid-Atlantic, Canada, Mexico, Japan, and Germany).

EXHIBIT D

Reporting mechanism for Contract Fulfillment

Monthly Activity Report - Month, Year

OPPORTUNITY GENERATION GOAL AREA:

Prospect Generation

of inquiries:

of leads:

of prospects:

Potential for capital investment, # of jobs, payroll, average salary, square footage, region of origin

of prospects in target clusters:

% of fiscal year goal =

FYTD prospect numbers:

Earned Media

Stories/Publications:

of placements YTD (local v. national):

Advertising equivalency rate (formula used):

Total reach of editorial placements/exposures:

% reach of editorial placements/exposures in target clusters:

% of fiscal year goal =

Media Tours

Number of media outlets/representatives:

% of fiscal year goal:

Advertising

Ads ran:

Direct-mail Campaigns

Trade shows

Title:

Location:

Accompanying GPEC:

% of fiscal year goal:

Sales Missions

Location:

Accompanying GPEC:

of sales meetings:

% of fiscal year goal:

High-profile Events

Collateral Materials

BUSINESS DEVELOPMENT GOAL AREA:

Assisted Projects

Capital investment generated:.....

Payroll/income generated:.....

Average Salary:.....

of
jobs:.....

% of fiscal year
goal:.....

of assisted projects:.....

Prospect conversion rate:.....

Square footage:.....

Region of
origin:.....

of Prospect Visitations to region.....

of Prospect Visitations to each City.....

FYTD assisted project numbers:.....

Training Sessions

COMPETITIVENESS GOAL AREA:

Regional Competitiveness

RESOURCE MANAGEMENT GOAL AREA:

Resource Acquisition

Investor Relations

Special Events

Board and Committees

EXHIBIT E

INSURANCE REQUIREMENTS

The City's insurance requirements are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The City in no way warrants that the minimum limits required of GPEC are sufficient to protect GPEC from liabilities that might arise out of this Agreement for GPEC, its agents, representatives, employees or Contractors and GPEC is free to purchase such additional insurance as may be determined necessary.

A. Minimum Scope and Limits of Insurance. GPEC shall provide coverage at least as broad as the categories set forth below with limits of liability in amounts acceptable to the City.

1. **Commercial General Liability - Occurrence Form**
(Form CG 0001, ed. 10/93 or any replacements thereof)

General Aggregate/ per Project
Products-Completed Operations Aggregate
Personal & Advertising Injury
Each Occurrence
Fire Damage (Any one fire)
Directors and Officers
Medical Expense (Any one person) Optional

2. **Automobile Liability B Any Auto or Owned, Hired and Non-Owned Vehicles**
(Form CA 0001, ed. 12/93 or any replacement thereof)

Combined Single Limit Per Accident for Bodily Injury and Property Damage

3. **Workers' Compensation and Employers' Liability**

Workers' Compensation Statutory
Employers' Liability

- B. Self-insured Retentions.** Any self-insured retentions must be declared to and approved by the City. If not approved, the City may request that the insurer reduce or eliminate such self-insured retentions with respect to City, its officers, officials, agents, employees and volunteers.

C. Other Insurance Requirements. The policies are to contain, or be endorsed to contain, the following provisions:

1. Commercial General Liability

a. The City, its officers, officials, agents, employees and volunteers are to be named as additional insureds with respect to liability arising out of: activities performed by or on behalf of GPEC, including the City's general supervision of GPEC; products and completed operations of GPEC; and automobiles owned, leased, hired or borrowed by GPEC.

b. GPEC's insurance shall include broad form contractual liability coverage.

c. The City, its officers, officials, agents, employees and volunteers shall be additional insureds to the full limits of liability purchased by GPEC, even if those limits of liability are in excess of those required by this Agreement.

d. GPEC's insurance coverage shall be primary insurance with respect to City, its officers, officials, agents, employees and volunteers. Any insurance or self-insurance maintained by City, its officers, officials, employees or volunteers shall be in excess of GPEC's insurance and shall not contribute to it.

e. GPEC's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

f. Coverage provided by GPEC shall not be limited to the liability assumed under the indemnification provisions of this Agreement.

g. The policies shall contain a waiver of subrogation against City, its officers, officials, agents, employees and volunteers for losses arising from work performed by GPEC for the City.

2. Workers' Compensation and Employers' Liability Coverage. The insurer shall agree to waive all rights of subrogation against City, its officers, officials, agents, employees and volunteers for any and all losses arising from work performed by the Contractor for the City.

D. Notice of Cancellation. Each insurance policy required by the insurance provisions of this Agreement shall provide the required coverage and shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice has been sent to City at the address provided herein for the giving of notice. Such notice shall be by certified mail, return receipt requested.

E. Acceptability of Insurers. Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the State of Arizona and with a "Best's" rating of not less than A-:VII. City in no way warrants that the above required minimum insurer rating is sufficient to protect GPEC from potential insurer insolvency.

F. Verification of Coverage. GPEC shall furnish City with Certificates of Insurance (ACORD form or equivalent approved by City) and with original endorsements effecting coverage as required by this Agreement. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Any policy endorsements that restrict or limit coverage shall be clearly noted on the Certificate of Insurance.

All certificates and endorsements are to be received and approved by City before work commences. Each insurance policy required by this Agreement must be in effect at or prior to commencement of work under this Agreement and remain in effect for the duration of the project.

All certificates of insurance required by this Agreement shall be sent directly to City at the address and in the manner provided in this Agreement for the giving of notice. City's Agreement/Agreement number, GPEC's name and description of the Agreement shall be provided on the Certificates of Insurance. City reserves the right to require complete certified copies of all insurance policies required by this Agreement, at any time.

G. Approval. During the term of this Agreement, no modification may be made to any of GPEC's insurance policies which will reduce the nature, scope or limits of coverage which were in effect and approved by the City prior to execution of this Agreement.